

OGC HAS REVIEWED.

Chief, Services Branch
200 North Bldg.
General Counsel

20 August 1948

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Contract [REDACTED]

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1. You will recall that when this contract was forwarded for approval as to legal form we raised two questions. [REDACTED] took a copy of the contract with him to explain the difficulties to the local Chief of Office, and we have now received a report from [REDACTED]. This report contains an adequate explanation of the previously unexplained surcharge which we felt might raise a question upon audit of the contract. The report also shows that an effort was made to change the liability clause which we felt to be excessive and that the request was refused by the Post Office.

2. As the service is essential, we must accept their terms, and the contract is therefore approved as to legal form. I have signed the copy attached hereto. We wish to point out that any claim arising under the liability clause should be forwarded to this Office for consideration, as despite the wording of the clause, I believe we should protest any claim for damage not arising out of the act or omission of one of our employees. Since the Government is generally its own insurer in respect to damage matters, there is no need to take out insurance on this equipment. There is, however, no legal bar to such insurance, if thought desirable.

LAWRENCE R. HOUSTON

LRH:mbt